NICO Asset Managers

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WEEKLY MARKET UPDATE

Week ending 20 June 2025

1. **Money Market**

   Government Securities

   The Government Treasury Bills auction held during the week raised a total of K42.90 billion from total applications of K42.90 billion, resulting in a nil rejection rate. The average yields for the 91 days, 182 days and 364 days tenors were 16.00%, 20.00% and 26.00% respectively (Previous week: 91 days: 16.00%, 182 days: 20.00%, and 364 days: 26.00%). The auction on various Treasury Notes during the week in review raised K20.18 billion from total applications of K20.18 billion, resulting in a nil rejection rate. Total maturities for the week stood at K80.97 billion, resulting in a net liquidity inflow of K25.89 billion. (*Source: RBM*).

2. **Interbank Market**

   Liquidity levels (excess reserves after Central Bank Operations) increased to a daily average of K48.71 billion from an average of K22.71 billion in the previous week. The volume on daily interbank overnight borrowing increased to an average of K82.80 billion at 23.99% (Previous week: K73.50 billion at 23.96%). A total of K126.80 billion was accessed on the Lombard window at an average rate of 26.2%. (Previous week: K335.20 billion at an average rate of 26.2%). (*Source: RBM*)

3. **Stock Market**

   The MASI closed the week at 307,031.13 points (Previous week: 290,490.35 points), the Domestic Share Index (DSI) closed at 234,160.24 points (Previous week: 219,443.28 points), and the Foreign Share Index (FSI) closed at 49,855.94 points (Previous week: 49,854.46 points). The increase in the MASI was due to share price gains on NBM, NBS Bank, NICO, NITL, Standard Bank and FMBCH. The gains were enough to offset losses on AIRTEL, BHL and ILLOVO. A total of 15.67 million shares were traded, with a market turnover of K10.19 billion in 733 trades. (*Source: MSE*)

4. **Local Market Developments**

   Malawi's year-on-year headline inflation declined to 27.7% in May 2025, down from 29.2% in April 2025. The decrease was primarily driven by falling food prices with food inflation decreasing from 35.8% to 32.7%. Non-food inflation increased from 19.4% to 20.0%. (*Source: NSO*)

5. **Regional Developments in the Week**

   Nigeria's inflation rate decreased by 0.74 percentage points to 22.97%, down from 23.71% in April, marking the second consecutive month of decline. Food inflation also fell to 21.14% year-on-year, significantly lower than the 40.66% recorded in May 2024. Despite this easing, inflation remained high due to factors like the removal of fuel subsidies and supply chain challenges. The Central Bank's tight monetary policy helped slow inflation momentum and stabilize expectations. (*Source: CNBC Africa*)

6. **Global Developments in the Week**

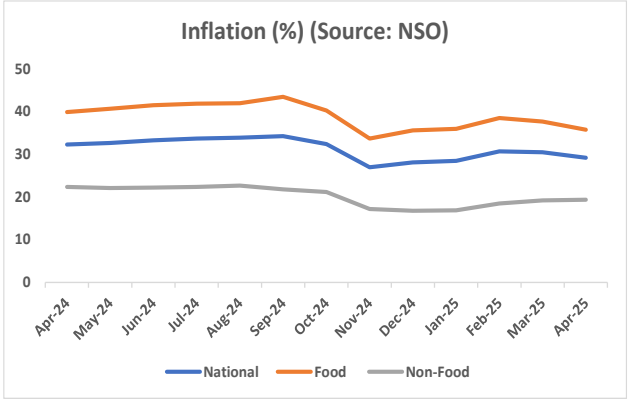
   The US Federal Reserve held its benchmark interest rates unchanged at a range of 4.25%-4.5% during its June 18, 2025, meeting, maintaining this level for the fourth straight time. This cautious pause reflects the Fed's effort to balance persistent inflation pressures with signs of slowing economic growth. However, some analysts anticipate cutting rates twice before the end of the year, while others prefer holding steady, highlighting uncertainty about the path forward. The Fed's approach signals careful monitoring of economic data before making any moves on interest rates. (*Source: Reuters)*

Counter	Div yield %	P/E	P/BV	13-Jun-25 MK/Share	20-Jun-25 MK/Share
AIRTEL	1.57	32.84	43.69	127.79	↓ 127.56
BHL	-	(62.21)	1.31	14.51	↓ 14.50
FDH Bank	1.51	29.26	22.25	314.00	314.00
ICON	1.62	4.91	0.82	17.95	17.95
ILLOVO	0.28	56.47	8.59	1,791.38	↓ 1,791.36
MPICO	2.26	5.12	0.67	19.01	19.01
NBM	2.04	28.30	10.78	6,200.27	↑ 6,200.29
NBS Bank	1.76	24.74	16.11	469.27	↑ 620.42
NICO	2.37	12.23	5.66	748.66	↑ 844.22
NITL	1.35	3.72	1.50	820.02	↑ 820.04
PCL	0.28	7.44	1.38	3,999.98	3,999.98
Standard Bank	1.47	29.89	9.94	9,511.51	↑ 10,999.54
Sunbird	3.71	8.62	1.31	350.01	350.01
TNM	-	26.43	5.13	23.04	23.04
FMBCH	0.36	20.79	7.47	1,000.01	↑ 1,000.04
OMU	3.31	16.35	2.18	2,500.03	2,500.03
DSI	N/A	N/A	N/A	219,443.28	↑ 234,160.24
FSI	N/A	N/A	N/A	49,854.46	↑ 49,855.94
MASI	1.36	22.56	7.45	290,490.35	↑ 307,031.13

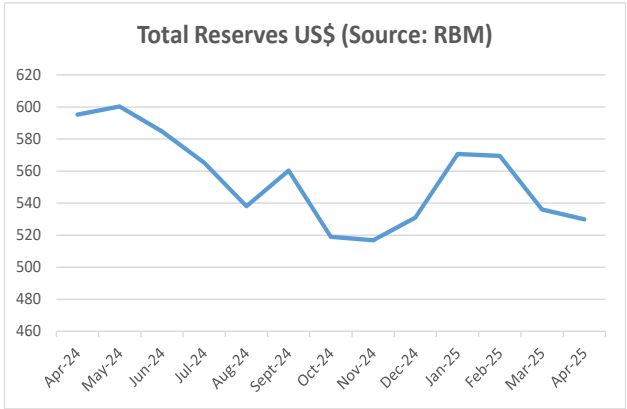
Stock Market (Source: Malawi Stock Exchange)

MASI= Malawi All Share Index, DSI= Domestic Share Index, FSI= Foreign Share Index

Inflation (Source: NSO)



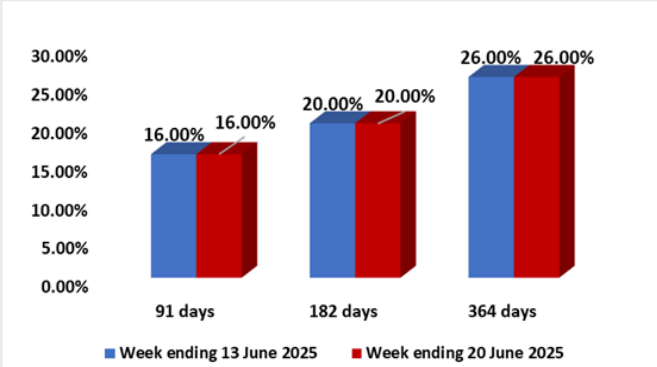
Foreign Exchange Reserves (Source: RBM)



Exchange Rates - Middle Rates (Source: RBM)

CURRENCY	13-Jun-25	20-Jun-25	% Change
MK/US Dollar	1,734.01	1,734.01	0.00%
MK/GBP	2,419.54	2,408.46	0.46%
MK/ZAR	99.48	99.23	0.25%
MK/EUR	2,061.08	2,058.04	0.15%

Government Securities for week ending 20 June 2025 (Source: RBM)



TENORS	VOLUME (K' BILLION)	AVERAGE YIELD (%)
182-days	17.86	20.00
364-days	25.04	26.00
2-Years	2.00	28.75
3-Years	4.63	30.00
5-Years	12.06	32.00
7-Years	0.05	34.00
10-Years	1.44	35.00

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